On account of 67-day strike, the condition of pots had deteriorated precipitously. However, BALCO management is making all out efforts to bring back normalcy in operations as early as possible.

Erosion in the net worth of VSNL

2273. SHRI NILOTPAL BASU: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government are aware of the news-items captioned "VSNL's worth down by Rs. 20,000 crores" and "Government ignored official suggestions" published in The Times of India on the 17th and 18th June, 2001, respectively;

(b) if so, the response of Government thereon and whether the alternative as suggested by the VSNL, CMD was sought to be acted upon to maximize sale proceeds; and

(c) if not, the reasons therefor and the precise amount of erosion in the worth of VSNL arising thereof?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) and (c) The Question of advancing the date of withdrawal of monopoly of VSNL from 1.4.2001 to 2002 was a matter of public debate and it was discussed in various fora. It is in this context that CMD, VSNL had written to the Government regarding the decline of share price of VSNL. However, it was in September, 2000 that the Government took a decision on the actual advancing of the date of withdrawal of monopoly, after working out a suitable compensation package and the decision was announced. There was, thus, no leakage of the decision of the Government, as alleged in the newspaper report referred to in the question.

Further, according to available information, it appears that there was sharp decline in the share value of almost all the Indian Technology Companies during March to May 2000 as reflected in the Bombay Stock Exchange Information Technology Index. This general trend of the Indian Capital Market in Technology Sector would have also influenced the fall in share price of VSNL during that period. In the matter of strategic sale, as is proposed in VSNL, market capitalization is not the only factor that is material for determination of the intrinsic value of the company.